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9 Instagram, LLC; Meta Payments, Inc.; and Meta
10 Platforms Technologies, LLC*

11 *Additional parties and counsel listed on signature
12 page*

13 **IN THE UNITED STATES DISTRICT COURT
14 FOR THE NORTHERN DISTRICT OF CALIFORNIA**

15 IN RE: SOCIAL MEDIA ADOLESCENT
16 ADDICTION/PERSONAL INJURY PRODUCTS
17 LIABILITY LITIGATION

18 THIS DOCUMENT RELATES TO:

19 *People of the State of California, et al. v. Meta
20 Platforms, Inc., et al.*

21 MDL No. 3047

22 Case Nos. 4:22-md-03047-YGR-PHK

23 4:23-cv-05448-YGR

24 **META AND CALIFORNIA GO-BIZ'S
25 STIPULATION AND [PROPOSED]
26 ORDER REGARDING GO-BIZ'S
27 PRODUCTION OF DOCUMENTS TO
28 META**

29 Judge: Hon. Yvonne Gonzalez Rogers

30 Magistrate Judge: Hon. Peter H. Kang

Pursuant to Civil Local Rule 7-12, the California Governor's Office of Business and Economic Development ("GO-Biz"), Snap Inc. ("Snap"), and Defendants Meta Platforms, Inc.; Instagram, LLC; Meta Payments, Inc.; and Meta Platforms Technologies, LLC (collectively, "Meta," and together with GO-Biz and Snap, the "Parties"), through their undersigned counsel, hereby stipulate as follows:

1. Meta and GO-Biz have met and conferred over the scope of a limited document production from GO-Biz relating to the grants and other incentives to social media companies. GO-Biz has informed Meta that, from January 1, 2012 through April 1, 2024, (a) the only social media recipients of GO-Biz's grants and tax credits were Snap and Microsoft, and (b) only one other social media company ("Social Media Co. 1") applied for GO-Biz's grants or tax credits, but Social Media Co. 1 did not receive a grant or tax credit. Meta and GO-Biz agreed that GO-Biz will not need to search for or produce any documents solely related to Microsoft's application.

2. On January 9, 2025, GO-Biz produced to Meta the only publicly available documents that relate to Snap's receipt of the California Competes Tax Credit and Grant: a California Competes Tax Credit Allocation Agreement and a California Competes Grant Agreement.

3. Section 23689(k)(1) of the Revenue and Tax Code (RTC) (California Competes Tax Credit) and section 12096.6.5 of the Government Code (California Competes Grant) both state that RTC section 19542 "shall apply to all information obtained by the Franchise Tax Board and GO-Biz" for purposes of administering the Cal-Competes Tax Credit (section 23689(k)(1)) and Cal-Competes Grant Program (section 12096.6.5). Accordingly, GO-Biz contends that Revenue and Taxation Code section 19542 prohibits GO-Biz from disclosing Snap's application materials, Social Media Co. 1's application materials, and documentation of GO-Biz's decision-making process concerning these applications. Section 19542 provides in relevant part that "it is a misdemeanor for the Franchise Tax Board . . . or other officer or employee of the state . . . who in the course of their employment or duty has or had access to returns, reports, or documents required to be filed under this part, to disclose or make known in any manner information as to the amount of income or any particulars, including the business affairs of a corporation, set forth or disclosed therein." GO-Biz also represented to Meta that (i) GO-Biz has consistently taken the position throughout the existence of the tax credit and grant programs that section 19542 prohibits the

1 disclosure of all materials relating to these programs except the agreements GO-Biz executes with the
2 recipients of its tax credits and grants, *i.e.*, the agreements that GO-Biz has provided to Meta; and (ii)
3 California Competes applicants are informed that section 19542 specifically prohibits the release of the
4 application and application materials submitted as part of the application process, but that information
5 contained in any successful applicants' agreement with GO-Biz would be posted on GO-Biz's website.
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7 See, e.g., page 12 of <https://business.ca.gov/wp-content/uploads/2023/06/California-Competes-Tax-Credit-FAQ-11-20-24.pdf>.

8 4. GO-Biz further contends that disclosure of documents concerning GO-Biz's decision-
9 making process relating to Snap and Social Media Co. 1 would harm the State's interest in operating a tax
10 credit and grant program that effectively promotes job creation in California because it would provide
11 other states operating similar programs with insight into GO-Biz's deliberative processes.

12 5. Meta does not agree with GO-Biz's contentions or GO-Biz's suggestions that GO-Biz's
13 selective quotations of the RTC or the Government Code are an accurate statement of the law. Meta
14 nevertheless has narrowed its request for production from GO-Biz. Specifically, Meta requested that GO-
15 Biz produce all documents relating to any incentives considered or provided to any social media company,
16 including without limitation (1) the California Competes Tax Credit provided to Snap; (2) the California
17 Competes Grant provided to Snap; (3) any social media company whose request for any tax credit or grant
18 was declined; and (4) all documents concerning the decision-making for the foregoing (the "Requested
19 Discovery");

20 6. Meta contends that the discovery is relevant to its defenses in this action, including whether
21 the Plaintiff State of California promoted the use of social media through the provision of incentives to
22 social media companies operating within the State, the reasons for providing such incentives, and why
23 certain social media companies may have been provided such incentives and not others. GO-Biz contends
24 that these statements are overbroad with respect to relevance. Meta and GO-Biz agree to meet and confer,
25 if necessary, over the relevance of particular documents or portions of documents. Meta also has informed
26 GO-Biz of its contention that any confidentiality concerns, including any protections provided in Article
27 2 of the California Revenue and Tax Code (including with respect to responsive information that Snap
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1 provided to GO-Biz), can be addressed with proper confidentiality designations made pursuant to the
2 Protective Order in this case (ECF 1209);
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4 7. GO-Biz contends that GO-Biz would commit a misdemeanor under section 19542 if it
5 willingly provided Meta with the Requested Discovery utilizing the confidentiality designations under the
6 Protective Order given that section 19542 does not provide any exceptions for limited disclosures. GO-
7 Biz contends that, under State law, GO-Biz cannot provide Meta with the Requested Discovery. GO-Biz
8 will therefore only provide the Requested Discovery over this objection in compliance with a court order.

9 8. Furthermore, GO-Biz contends that it has already provided Meta with non-protected
10 information demonstrating that the State does not use these programs to promote the use of social media.
11 Specifically, Revenue and Taxation Code section 23689 identifies the criteria that GO-Biz must use to
12 evaluate applications for the California Competes Tax Credit, and those criteria evaluate whether the
13 applicant would create good-paying jobs with generous benefits and training opportunities for workers in
14 high poverty and low-income regions. The criteria do not mention social media, nor do they favor any
15 particular kind of business or industry. Furthermore, in the twelve-year time period encompassed by
16 Meta's request, GO-Biz has awarded one tax credit to one social media company (Snap), out of the 1,201
17 businesses receiving tax credits. See <https://business.ca.gov/california-competes-tax-credit/awardee-list/>
18 (identifying businesses). GO-Biz contends that these facts underscore that GO-Biz uses this program to
19 promote jobs, not the use of social media. GO-Biz also contends that the California Competes Grant
20 program, a three-year program that no longer exists, is similar. This program was designed to attract
21 businesses that could not use the tax credit, including start-ups that have no income tax liability because
22 their profits are less than their costs or businesses with other tax credits that would not be able to use a
23 California income tax credit. Successful applicants had to (a) create 500 or more jobs, (b) invest over \$10
24 million, and (c) expand in a high poverty and low-income region. The criteria from section 23689 were
25 then applied. The grant program resulted in only 23 grant agreements, including one grant for a social
26 media company (Snap).

1 9. GO-Biz has also informed Meta, in response to questions from Meta, that one other social
2 media company has applied for the California Competes Tax Credit – Social Media Co. 1 – but that
3 application was not successful.

4 10. GO-Biz maintains that the publicly available information is sufficient to demonstrate that
5 the State's tax credit and grant programs were not created for the purpose of promoting the use of social
6 media, and have not in fact been used for that purpose. Accordingly, GO-Biz contends that any interest
7 Meta may have in further document production from GO-Biz is both minimal and outweighed by the
8 State's strong policy prohibiting disclosure set forth in section 19542.

9 11. Meta disagrees with GO-Biz's contentions, but in light of GO-Biz's willingness to produce
10 responsive documents pursuant to this so-ordered stipulation, will not belabor the point. Suffice it to say
11 that, among other things, Meta contends that even if GO-Biz's programs were aimed at promoting job
12 growth, documents discussing whether grants, tax credits, or other incentives should be given to social
13 media companies and why may still be relevant to issues in this case, including whether social media
14 causes teen mental health issues. Indeed, Meta contends that an internal document that decides to award
15 a social media company such incentives without referring to, or considering the potential existence of, any
16 causal link between social media and teen mental health would seem to undermine the State of California's
17 claim that such a link exists. GO-Biz disputes these contentions.

18 12. GO-Biz and Meta have engaged in ongoing efforts to resolve any disagreements about GO-
19 Biz's responses. Following those discussions, GO-Biz maintains that it would produce documents only
20 if ordered to do so by the Court, and it enters into this stipulation for the sole purpose of narrowing any
21 production that the Court might order. Meta has agreed that it would only request such a Court order
22 pursuant to the terms of this Stipulation which ensures that Snap has an opportunity to object to the
23 disclosure of its protected information and that any disclosure is strictly limited in both scope and
24 distribution.

25 13. Snap does not take a position on any contention by GO-Biz or Meta in this stipulation,
26 including any contention with respect to Meta's defenses or GO-Biz's legal obligations with respect to
27 Snap's protected information.

1 14. Meta, GO-Biz, and Snap stipulate and agree as follows, if the Court so orders in response
2 to Meta's request:

- 3 a. GO-Biz shall conduct a reasonable search for all documents relating to any incentives
4 considered or provided to any social media company, including without limitation (1)
5 the California Competes Tax Credit provided to Snap; (2) the California Competes
6 Grant provided to Snap; (3) any social media company whose request for any tax credit
7 or grant was declined; and (4) all documents concerning the decision-making for the
8 foregoing. Such reasonable search shall include searches for documents discussing
9 whether to provide any social media company with incentives (e.g., grant or tax credit
10 applications, internal GO-Biz discussions about whether to grant or deny such
11 applications, the criteria considered or applied, etc.), any benefits of social media
12 companies, and any decision about whether to provide any social media company with
13 incentives.
- 14 b. GO-Biz shall produce all responsive non-privileged documents located pursuant to the
15 search set forth in Paragraph 14(a) above on or before 30 days following the Court's
16 entry of this Stipulation.
- 17 c. All such documents shall be designated "Highly Confidential" pursuant to the
18 Protective Order in this action (ECF 1209), and, except as provided in Paragraph 14(h),
19 Meta shall be the only Receiving Party. For the avoidance of doubt, Meta's status as
20 the Receiving Party shall not impact Meta's ability to disclose or utilize in any manner
21 such documents or the information contained therein in this litigation against any
22 Plaintiff (including California) as permitted under the terms of the Protective Order or
23 any other court order.
- 24 d. GO-Biz shall redact from its production the name and any and all identifying
25 information of any social media company other than Snap in a manner that indicates
26 that information about a social media company was redacted, and identifies by letter or
27 number each different social media company redacted (e.g., "Social Media Co. 1").

Such redactions need not be included in any privilege log that may otherwise be provided.

- e. GO-Biz shall redact from its production any information that is both protected by the deliberative process privilege and which is not relevant to whether California promoted the use of social media through the provision of incentives to social media companies operating within the State. GO-Biz shall do so in a manner that indicates the redactions were made pursuant to this paragraph. Such redactions need not be included in any privilege log that may otherwise be provided. Meta reserves all rights to challenge GO-Biz's application of such redactions, including (without limitation) the application of the deliberative process privilege to any document.
- f. GO-Biz reserves the right to invoke any and all other privileges, including but not limited to the attorney-client or work product privilege, applicable to documents produced pursuant to this stipulation. Except as otherwise provided in this Stipulation, any responsive documents withheld or redacted on the basis of privilege shall be logged in accordance with the Privilege Log Protocol in this case (ECF 740). Meta reserves all rights to challenge GO-Biz's invocation of any privileges.
- g. If GO-Biz determines that any document it intends to produce pursuant to the terms of this Stipulation is a document received from Snap, or is a document which contains information received from Snap, that GO-Biz believes is protected under Article 2 of the California Revenue and Tax Code (the "Snap Review Documents"), GO-Biz will provide written notice to the Parties ("Snap Notice") of GO-Biz's intent to produce the Snap Review Documents by the later of (i) the production deadline set forth in Paragraph 14(b) of this Stipulation, or (ii) 15 days after the date GO-Biz provides the Snap Notice. For the avoidance of doubt, the Parties agree that any document that references any grants to Snap actually provided by or contemplated by GO-Biz shall be considered a Snap Review Document. The Parties also agree that the Snap Review

1 Documents will be provided to Snap in the manner in which they will ultimately be
2 produced to Meta, without additional redactions or other alterations.

- 3 h. The Snap Notice provided to Snap (but not Meta) shall give Snap access to the Snap
4 Review Documents so that Snap has an opportunity prior to production to review the
5 Snap Review Documents and provide written notice to GO-Biz and Meta of any
6 objections by Snap to the production of the Snap Review Documents (“Snap
7 Objections”).
8 i. If Snap does not provide Snap Objections on or before 14 days of GO-Biz’s
9 provision of the Snap Notice, then GO-Biz shall produce the Snap Review
10 Documents to Meta with any redactions permitted by this Stipulation.
11 ii. If Snap does provide Snap Objections on or before 14 days of GO-Biz’s
12 provision of the Snap Notice, the Parties shall meet and confer about a potential
13 resolution to the Snap Objections, and apply for judicial relief should no
14 resolution be reached. GO-Biz shall not be required to produce the Snap
15 Review Documents to Meta until such Snap Objections are resolved, either by
16 agreement or court order.
17 iii. If, within 14 days of GO-Biz’s provision of the Snap Notice, Snap determines
18 that it requires additional time to review the Snap Review Documents, the
19 Parties shall meet and confer about an extension of the allotted period for
20 review.
21 iv. For the avoidance of doubt, this subparagraph 14(h) does not impact GO-Biz’s
22 document production obligations except with respect to the Snap Review
23 Documents.
24 i. All notices required by this Stipulation shall be sent by email to each of the undersigned
25 counsel for each of the Parties, and at the email addresses listed for each counsel. Such
26 notices shall be deemed provided on the date they were sent.

1 j. For the avoidance of doubt, GO-Biz shall have no obligations under the Stipulation
2 unless the Stipulation is so-ordered by the Court. Should the Court decline to enter this
3 Stipulation, Meta shall not seek any additional document discovery from GO-Biz in
4 connection with this action brought by the Plaintiff State of California.

5 **IT IS SO STIPULATED AND AGREED.**

6 Respectfully submitted,

7 DATED: April 14, 2025

8 By: /s/ Margaret R. Prinzing

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SIGNATURE CERTIFICATION

Under Civ. L.R. 5-1(h)(3), I, Ashley M. Simonsen, hereby attest that all signatories listed, and on whose behalf the filing is submitted, concur in this filing's content and have authorized this filing.

DATED: April 14, 2025

/s/ *Ashley M. Simonsen*

Ashley M. Simonsen

*Counsel for Meta Platforms, Inc.; Instagram, LLC;
Meta Payments, Inc.; and Meta Platforms
Technologies, LLC*

1 PURSUANT TO STIPULATION, IT IS SO ORDERED.
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DATED:

PETER H. KANG
UNITED STATES MAGISTRATE JUDGE